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INFO RUCNASE/ASEAN MEMBER COLLECTIVE
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RUEHUL/AMEMBASSY SEOUL 9375
RUEHKO/AMEMBASSY TOKYO 6960
RUEKJCS/JOINT STAFF WASHDC
RUEHBS/USEU BRUSSELS
RUEKJCS/SECDEF WASHDC
RUCNDT/USMISSION USUN NEW YORK 2744
RHEHNSC/NSC WASHDC
RUEHGV/USMISSION GENEVA 4699
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RUEAIIA/CIA WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 RANGOON 000688

SIPDIS

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SUBJECT: BURMA: MEETING WITH AUNG SAN SUU KYI ON SANCTIONS

REF: RANGOON 687

Classified By: CDA, a.i. Tom Vajda for Reasons 1.4 (b) & (d)

Summary

1. (C) U.S., UK (representing the EU), and Australian chiefs of mission (COMs) briefed Aung San Suu Kyi (ASSK) on their governments' respective sanctions policies in a one-hour meeting October 9. ASSK confirmed her willingness to cooperate with the SPDC to lift sanctions, but indicated she first needs additional information on the economic impact of sanctions and the interim steps toward democracy that the U.S., EU, and Australia would deem "adequate" to begin easing their restrictions. She stressed both requests repeatedly and is eager for responses. ASSK did not offer her own views on sanctions, appropriate GOB reform milestones, or the 2010 elections, citing her inability to consult with her party on these matters; the presence of GOB minders likely also played a role. She did convey that her two recent meetings with Liaison Minister Aung Kyi focused exclusively on her requests to meet with the National League for Democracy (NLD) and U.S., EU, and Australian diplomats. ASSK expressed thanks for the Obama Administration and the Secretary specifically for supporting her cause. She looked healthy and was engaged and energetic throughout the meeting. End Summary.

Briefings on Sanctions

2. (C) ASSK opened the October 9 meeting by noting her interest in a full understanding of Western sanctions on Burma, which she and her party need in order to engage the SPDC on lifting sanctions. She asked specifically for information on the nature and scope of sanctions, when they were instituted, and their effect on the Burmese economy. She reiterated several times that she considered this meeting a "fact-finding" exercise, since her party's policy on sanctions "can only be decided by the collective NLD leadership." She noted in that regard that she has yet to be allowed to meet with her party to discuss the subject.

3. (C) After offering ASSK the well wishes of our governments, UK Ambassador Heyn, representing Sweden as EU president, Australian Charge Starr, and CDA, a.i. provided

detailed overviews of our respective sanctions regimes, presenting them in the context of our overall policy objectives. The COMs stressed the targeted nature of sanctions, which are designed to pressure regime leaders, companies, and supporters to promote political reform and limit the GOB's capacity for repression.

¶4. (C) Heyn acknowledged the different perspectives on sanctions among EU member states, and stressed the EU's interest in lifting restrictions on Burma in response to concrete GOB progress on political and human rights concerns. He remarked that lifting EU sanctions can be calibrated -- "it's not all or nothing" -- to reflect changes in Burma. Australian CDA Starr echoed this theme, noting that while his government welcomed initial steps toward internal dialogue in Burma, the GOA required considerably more progress to consider lifting its sanctions. CDA briefed on the outcomes of the recently concluded policy review, explaining that the U.S. has decided to maintain sanctions until we see concrete progress towards reform. We will discuss lifting sanctions with the GOB only if it takes concrete actions on our core concerns. CDA added that Washington is interested in the views of ASSK and the NLD on sanctions and would take them into account.

ASSK's Requests

¶5. (C) ASSK expressed appreciation for the briefings, but expressed a strong interest in more detailed and quantitative

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information on the economic impact of sanctions, citing a recent IMF report as an example. The COMs replied that they are not aware of any such studies by their governments, and also noted the difficulty of obtaining credible economic data in Burma. All three shared the view that the deplorable state of the Burmese economy is a direct result of the GOB's economic mismanagement, not sanctions. ASSK acknowledged this perspective but nevertheless asked that the three governments seek to provide her "trustworthy" third-party reports on the impact of sanctions, such as from the UN. She also requested information from Canada -- which has no Embassy in Burma -- on its sanctions policies.

¶6. (C) Turning to policy approaches, ASSK welcomed the expressed U.S., EU, and Australian goals of political prisoner release, inclusive dialogue, and human rights and democracy. However, she pressed for a sense of what "interim steps" or "milestones" toward those goals each government would accept as "adequate" to lift some sanctions. She said this information is critical for the NLD to decide how to cooperate with the SPDC to "remove the need for sanctions."

¶7. (C) ASSK refused to be drawn out on her own views concerning appropriate GOB milestones that would warrant an easing of sanctions, citing her inability to discuss this subject with her party. However, she indicated clearly she believes each government needs to make its own calculations, and urged repeatedly that we arrive at those decisions and present them to her and the NLD. "It is for you to decide what matters, and for us to facilitate," she noted. In response to the UK Ambassador's comment that our governments would not want to take any steps in this regard that would undermine the NLD, ASSK responded, "Don't be nervous; we need this clarity to proceed with our cooperation with the SPDC," even though, she added, it is not clear the regime will reciprocate.

ASSK's Meeting with the Liaison Minister

¶8. (C) ASSK was equally circumspect in responding to questions about the 2010 elections and prospect for dialogue, offering no views on those subjects. When asked about her two recent meetings with Liaison Minister Aung Kyi, she

allowed that they focused on her requests, cited in her letter to Than Shwe, to hold this meeting with diplomats and a separate meeting with her party. The latter has not been granted, though she stressed to Aung Kyi that she needs to meet with the NLD so the party can form a collective decision on a range of issues, including sanctions. CDA asked whether the GOB would be open to allowing her to meet with other interlocutors on sanctions, such as the visiting IMF delegation or Burmese business leaders; she said it is not clear, adding that so far she has only requested the two meetings cited in the letter.

¶9. (C) As the meeting closed, ASSK requested that the COMs brief the NLD on the meeting (Note: the three Missions met later in the day with the NLD, see septel). She also passed along her appreciation to the three governments for their assistance, in the case of the U.S. thanking the Obama Administration and expressing gratitude in particular for Secretary Clinton's strong interest and support.

Comment

¶10. (C) In allowing this rare diplomatic meeting with ASSK, the GOB established the ground rule that only sanctions could be discussed; but ASSK's clear interest in the topic also kept the conversation focused. We did seek her views on sanctions, the 2010 elections, and other issues, but didn't push when she demurred, since it's understandable she would be reluctant to share her views without consulting her party and in the presence of GOB minders. Those officials -- a MOFA protocol director and the police Special Branch Deputy

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Director -- observed the session, but allowed the conversation to flow freely without intervening. CDA brought copies of the executive orders and laws related to U.S. sanctions, as well as A/S Campbell's press briefing and testimony on the policy review, and it appears the GOB will allow ASSK to receive them.

¶11. (C) For her part, ASSK looked healthy and was engaged and energetic throughout the meeting. She smiled and laughed readily, but remained focused on the subject matter and did her part to keep the discussions moving to make best use of the limited time available. She was gracious in accepting well wishes and in expressing her appreciation.

¶12. (C) She was also very clear in delivering her main message: she is indeed prepared to work with the regime to lift sanctions but first needs more information and the ability to communicate with her party. CDA and the other COMs noted the challenges in measuring the economic effect of sanctions and in laying out a menu approach for lifting them. However, ASSK pressed pretty hard on both requests and made clear she would like responses from the three governments. The Australian CDA will coordinate with the Canadian Embassy in Bangkok to secure the requested sanctions documents for ASSK, and the UK Ambassador will seek to pass her the referenced IMF report. Beyond that, each of us will seek guidance from capitals. Post seeks Washington views on how to follow up on ASSK's requests, and in that regard recommends close coordination with the UK, EU, and Australia. VAJDA